

VETO OF THE GOVERNOR ON THE BANK BILL.

To the Senate and House of Representatives of the Commonwealth of Pennsylvania.

GENTLEMEN:—The bill entitled "an act relating to Banks and to provide for the better government thereof," is herewith returned to the Senate, in which it originated, without the Executive approval, and with the following reasons why that sanction is withheld.

This bill relates to a subject of deep and universal interest to the people of Pennsylvania; and to its consideration, I have brought all the energies of my mind, and all the lights that an experience of upwards of half a century has furnished. I cannot persuade myself, that duty or patriotism would justify my sanction of its provisions. Some things contained in it; I would gladly approve, but I cannot believe that the penalties imposed on the banks, so far as relates to the citizens of this Commonwealth, ought to be repealed, or that the issue of notes under the denomination of five dollars by the banks, to an amount of six millions of dollars for a term of five years, should be authorized.

It would be useless to go into a discussion of the causes which have led to the present derangement and embarrassment of our monetary affairs. It is enough to know that they exist and that our banking institutions generally, have been unable to meet their engagements. We have had three bank suspensions in less than four years. The result is an almost entire destruction of the confidence of the public in our banking institutions. The intimate connexion existing between our banks, has involved all in one common fate. Those conducted with prudence and care, are suffering from the insolvency of others. That there are some great and cardinal errors in the mode of conducting our banking operations, must be obvious to all, or those things would not occur so frequently as they have done.

The public will, seeking the public good, has required that these errors should be corrected. That correction all must be aware, cannot take place at any time, without cases of individual suffering and hardship. These are to be regretted, but yet ought not to prevent the correction of greater evils to the public at large. The indulgence given to the banks by the resolution passed on the 3d day of April, 1840, which suspended existing penalties for not meeting their engagements, until the 15th of January last, it was hoped would have enabled them fully to resume. When I approved these resolutions, I believed it was necessary to give the banks and the people some time, to meet their engagements. That given, however, was greater than I then apprehended to be necessary, or exactly satisfactory to the public. But as it was a mere question of expediency as to time, I yielded my assent, rather than run the risk of having no legislation on the subject. The indulgence thus given, was dictated by a spirit of extraordinary forbearance, and the public fully expected that at the time appointed, the banks would be fully able to meet their engagements. Such were most certainly my own expectations. Those expectations unfortunately have proved to be groundless. The banks are now in a state of general suspension, and this bill is designated by the legislature as a remedy for the evil, and a relief to the community. Let us examine how far it seems likely to answer the end proposed.

The principal features of it are, that it repeals absolutely and unconditionally the penalties and forfeitures, to which the banks of this Commonwealth are subject, for the non-payment of their liabilities on demand, and renders the banks liable, as natural persons or individuals are, agreeably to the laws of this Commonwealth, for the payment of their bills, notes and other liabilities; and also, that it authorizes the banks for the term of five years after the passage of this act, to issue, circulate and receive bills or notes of the denomination of one, two and five dollars, to an amount not exceeding fifteen per cent. on the amount of capital actually paid in. It also provides sundry regulations, and imposes certain restrictions upon the banks. Some of these restrictions and regulations are wise and salutary, but many of them are in my opinion, calculated to produce far more mischief than good.

In relation to the repeal of the penalties and forfeitures, and placing the banks on the same footing as natural persons, it seems to me that the bill is peculiarly objectionable in several material respects. It prescribes no time when this repeal shall cease to be operative, and it saves none of the special provisions of the law under which, independent of the penalties and forfeitures to which the banks are subject, they may be required to pay their liabilities. It seems to me that it would have been far better, if any law of this nature is to pass at all, instead of repealing absolutely the penalties and forfeitures, to suspend the law imposing them for some definite period of time. They would then, at the expiration of that time, again take effect without any positive legislation upon the subject. But, agreeably to the provisions of this bill, they are repealed forever. Should subsequent events require their re-enactment, we might be met with the objection, that the charters are inviolate; that the provisions of the bill in question, when accepted, became part of the same, and that the legislature possesses no power to re-inforce the existing penalties so taken off.

Great caution should be exercised in the passage of laws affecting corporations or private rights, and private remedies in regard to them. Corporations being the creatures of the law, and acting only by its express authority and being responsible only in the manner pointed out by the law, may, by a hasty and inconsiderate alteration of the law, the whole operation of which was not only crippled in their actions or placed beyond the reach of the citizens, who may have dealings with them, or demands upon them. There are so many different modes in which the banks of this Commonwealth are connected with the general interests of the community, and there are so many legal provisions regulating that connexion, that it appears to me to be an extremely hazardous experiment to say, that so far as respects demands against them in their corporate capacity, they shall be repealed, and the banks be placed on the footing of natural persons or individuals. At the first glance it appears to be plausible, but it may result in a

manner very prejudicial to the community, or to the banks, or possibly to both. Without tracing its operation further, it would relieve the banks from a serious inconvenience in giving bail on suits brought, and on appeals from awards obtained on suits against them; although the popular impression is, that it would free them from no such liability. There may be other changes which it would effect, but I shall not occupy any time in following them out. It would have been perfectly convenient to have simply provided on the subject, that so much of any laws of this Commonwealth, as relates to penalties imposed upon the banks, or the forfeitures of their charters, should have been suspended, leaving all the other laws for enforcing demands against them, untouched. Then all the questions that relate to the enforcement of the law for the collection of demands against the banks would have been provided for, and it would have been known precisely what the condition of the banks was; but not so under this law, which places them in the same general class with natural persons or individuals.

So far as respects the authority given to the banks to issue and circulate notes under the denomination of five dollars, I beg leave to refer you to my annual message, transmitted to the legislature of last year and to the present legislature, for my general views. The untoward circumstances which have placed the banks of this Commonwealth in their present situation, are to be deeply regretted and in no particular more so than in the embarrassments thereby created in procuring small sums for the common purposes of change, among the citizens, in their various transactions. These embarrassments, are undoubtedly in many instances, a severe hardship upon the community; but the question presented for consideration is, whether this mode of relief would not, in the end, be more injurious to the community than the temporary inconvenience they now suffer. This provision would authorize the issuing and circulating of bank notes, for less than five dollars, to the amount of six millions of dollars and upwards, and we might then well despair of seeing a dollar of specie in circulation.

Whatever arguments might be adduced in favor of a limited amount of small notes, for a short period, to aid in the resumption of specie payments, the force of which has not been conclusive upon my mind, the amount authorized by this bill, and the period of time during which they are permitted, are, in my judgment, greater than can be required by the exigency of the occasion, or than the people of the Commonwealth would willingly tolerate. The latter part of the same section; too, for the first time in the legislation of Pennsylvania, expressly sanctions the issue of post notes. No provision of our citizens, so far as I have been informed, have asked this at the hands of the legislature; and the policy of issuing them by the banks has been more than rendered doubtful by the experience of past years, and has been loudly reprobated.

I have already stated that the regulations and restrictions imposed upon the banks, were, some of them, wise and salutary, and I shall confine my notice only to some of the principal ones, which I consider peculiarly objectionable. In the first place, this bill provides that the directors of any bank, individually or collectively, shall not contract any liabilities to the bank, exceeding certain limits; that is, when the capital stock actually paid in does not exceed \$250,000 the amount of such liability shall not exceed the one sixth part of the aggregate loans of such bank, and proceeding to provide that as the capital of each bank increases in amount, the relative proportion of liabilities shall also be increased. At a cursory glance, this provision might appear to be a very considerable security to the public against the monopolizing rapacity of bank directors; but upon more mature consideration, it will be manifestly fraught with dangerous consequences. One of the most grievous complaints against the banks of this Commonwealth has been their over issues and expansions. The direct tendency of this provision seems to be to produce them. If, for instance, a bank has made loans to an amount of \$100,000, the liability of all the directors can only amount to one sixth of this sum. But should they wish to obtain more, they have nothing to do but to increase the extent of loans to \$200,000, or to any other sum, without limit, and they can increase their own liabilities to one sixth of that amount. It is evidently, therefore, offering a direct inducement to expand their circulation, and that, too, perhaps, by loaning their money to unsound borrowers, or for purposes not calculated to promote the interests of the public. I cannot, therefore, yield my assent to such a provision as this.

The cashiers of the banks are specially entrusted with all their cash and other property; yet by the sixth section of this bill, they are prohibited from keeping any private or individual account with the banks of which they are cashiers. If there be wisdom, or additional security to the public in this, it is, I confess, beyond my comprehension.

A material change in the number of votes to which stockholders of banks shall be entitled is also made. It is provided that every share of stock, not exceeding fifty, shall be entitled to a vote, and a proportionate increase of votes to the number of shares of stock held, is extended to an indefinite number. By the law as it stood before, fifty shares of stock were entitled to thirteen votes with a relative proportion for any number of shares. It appears to me, that the effect of this change would be to place the control of each bank in the hands of a few persons, and to enable them to monopolize its management. I cannot think, therefore, that this provision is calculated to advance either the interests of the banks or secure the interests of the public.

This bill further provides that Directors hereafter to be elected in banks with an amount of capital stock paid in not less than three millions of dollars, shall be holders in their own right of not less than three thousand dollars of the stock of said bank, and extending a like proportionate qualification to the Directors elected in all the other banks. And further providing, that persons to be elected State Directors, in the Bank of Pennsylvania and in the Philadelphia Bank, shall be stockholders to the amount of one thousand dollars, and in the Columbia Bank and Bridge Company, to the amount of five hundred dollars. This whole system, here proposed to be established of

requiring the Directors of the several banks of this Commonwealth to be the holders of stock to so large an amount, seems to me to be exceedingly objectionable. It places the control of the banks, at once in the hands either of the rich, or of the large stock jobbers and stock holders. So far as respects the country banks in particular, its operation will be a hard one. It will amount to a disfranchisement of some of the most competent and efficient bank directors in the Commonwealth, and eventually place the banks in far less competent hands, than even those that now manage them. The banks are already aristocratic enough, without the addition of this, which is in effect, a property qualification; to their directors. I can see nothing so peculiar in the character and duties of a bank director, as to require that he should possess from five hundred to three thousand dollars of property, to qualify him for it, when no other office in this Commonwealth requires a similar qualification. Nor do I know that experience shows, that it is a wise standard to measure a man's intelligence by the length of his purse. Nor can I believe that in this enlightened age, such a standard ought to be adopted. As respects the State directors in the banks referred to, it appears to me, that the interests of the public, will be more likely to be secured, by the election of state directors, who have no stock, or a very small amount, than by the election of those, who are interested in having so large an amount of stock as this bill requires. The stockholders in these several banks, are fully represented by the directors whom they elect themselves; and the state, which has not a full proportion of representation on the board of directors, according to the amount of stock she holds, is supposed, in theory, at least, to be represented by the state directors elected by the Legislature. It is not unreasonable therefore, to require that those who are to represent the interests of the State which may sometimes be adverse to that of the stockholders, should also be deeply interested in representing the stockholders, who have more than their fair share of representation already? I cannot approve this feature in the bill.

The provisions in the 18th section, requiring the banks of this Commonwealth to issue and pay out none but their own notes without the consent of the parties to whom the same are tendered, is rendered wholly nugatory by the exception of "special contracts." Banks can very easily evade the operation of this section, by making a special contract with all those who deposit money with them, and obtain discounts from them, to take payment for the same in current bank notes, or in such manner as they may choose to specify. It is useless to enact a law which can be so easily rendered inoperative.

The authority given to the stockholders of the Bank of the United States, to reduce its capital from thirty-five to fourteen millions of dollars, has never been asked for, by either the directors or the stockholders of that bank, and in the form which this bill prescribes, seems to me, to be unwise and unnecessary. If the legislature is of the opinion, as a great many of the citizens of the Commonwealth undoubtedly are, that the capital of that bank is too large, this bill should have provided imperatively, that in order to entitle the bank to enjoy the indulgence which it gives, the capital should be reduced, as seemed compatible with the public safety and public interest. This bill, however, leaves it entirely to the discretion of the stockholders whether its capital should be reduced, and in case the stockholders shall choose to make the reduction, then the bank is released from the obligation imposed upon it by its charter, of making a permanent loan to the Commonwealth not exceeding six millions of dollars, and a temporary loan not exceeding one million of dollars, in any one year, at an interest of four per cent. The bank is to continue to enjoy all its exclusive privileges for the length of time for which it was incorporated, and to be released from this obligation, when at the time of its creation, was considered one of the most beneficial to the public, contained in its charter. The bank affects to treat its charter as a contract between its stockholders and the state. It has very recently succeeded in pleading that contract, as a protection against the provisions of the resumption resolutions, passed 3d April, 1840. A highly competent court has decided, that under the laws and constitution, this charter exempted it from the operation of those resolutions; and now it is proposed by this bill to extend a most liberal boon to the bank, without subjecting it to the laws and regulations of the legislature, which control the other banks of the Commonwealth. But in relation to this section of the bill, a much more grave question is presented. The 25th section of the 1st article of the Constitution of this Commonwealth provides, that "no corporate body shall be hereafter created, renewed, or extended by banking or discounting privileges, without six month previous public notice of the application for the same, in such manner as shall be prescribed by law. Nor shall any charter, for the purpose aforesaid be granted for a longer period than twenty years, and every such charter shall contain a clause, reserving to the legislature the power to alter, revoke or annul the same, whenever in their opinion it may be injurious to the citizens of the Commonwealth, in such manner, however, that no injustice shall be done to the corporations."

It is conceded that no notice, such as is required by this section of the Constitution, and the act of 1st June 1839, passed in pursuance thereof, has been given in relation to the bill now under consideration. The 17th section of this bill does certainly absolve the bank of the United States from some of the conditions imposed upon it, by the act granting its charter; and if the provisions of that section, do not come within the letter of the 25th section of the 1st article of the Constitution, they certainly come within the intention of it, which was to give the public notice, of all intended applications for creation or changing the charters of monied institutions. If this section of the bill in question, should be deemed to come within the section of the Constitution quoted, it omits the very important provision which the Constitution requires, of a reservation to the Legislature, of the power to alter, revoke or annul the same. When found injurious to the citizens of the Commonwealth,

upon the terms of doing no injustice to the corporations.

These are the principal objections to the form and details of this bill, that present themselves to my mind; and in addition to these, there are others which would render this bill as a measure of relief, either to the banks or to the public, wholly unavailing. I have retained this bill without returning it to the Legislature, almost to the latest period when I could do so, with the power of resorting to it with my objections, for the purpose of ascertaining, if possible, the views of the most enlightened practical business men in the community, in relation to its various provisions; and I speak advisedly when I say, that if this bill were to become a law it is questionable whether one-tenth of the banks of the Commonwealth would accept of its provisions. Indeed, I can scarcely find among either the friends or the foes of the banks, or among any party, notwithstanding the extent of my intercourse with the citizens of the Commonwealth from all quarters, any intelligent person who now believes that this bill ought to become a law. When it was first presented to me, I examined it in vain for a single provision, which promised either to give relief to the banks, or to the people, and I feel strongly fortified in my convictions upon the subject, by the coincidence of the opinions, of all most practical persons who so far as I know, have expressed opinions in all quarters of the Commonwealth, and engaged in all pursuits of life.

The present condition of the banks and the citizens of Pennsylvania, is calculated to awaken our most earnest and serious consideration. With an ample amount of resources to meet all their liabilities, and with the assurance that those resources are hourly multiplying, our pecuniary affairs are surrounded with embarrassments and difficulty and the forbodings of many, for the future, seem to afford little to cheer or to encourage. I do not myself believe, that there is any real ground for the despondency that seems slightly to pervade the public mind, and without waiting to estimate its true extent are seized with panic and apprehension. I fear that neither the measures adopted by the Legislature, nor the language held by many of its members is calculated to dispel this panic and apprehension. It is one of the incidental evils of a government like ours, that every citizen is liable to innocent misunderstanding, or to interested misrepresentation. The instant a slight disturbance in the prosperous business of the country occurs, either from any derangement of the general laws of trade, or from the mismanagement of the banking institutions of the country, or from any combination of causes, not easily developed, it is seized hold of, and made a theme of partizan declamation against those who happen to differ in their political opinions from the declaimer. Truth is too often sacrificed to expediency, and the welfare of the public made to yield to the private or personal interests of those who are contending for power. By such means as these, is the public mind harassed and disturbed, business men checked or driven from their avocation—the resources of the country depreciated and the measures designed for the relief of the people thwarted and rendered fruitless. What but the operation of such a state of things as this could have produced the prevalent impression that the great and substantial state of Pennsylvania, with her rich and cultivated fields—her inexhaustible coal mines—her numerous furnaces and foundries, was on the verge of bankruptcy; her citizens within the very jaws of ruin, her business men of all kinds languishing and on the very point of general prostration and annihilation. It is true that the banks of Pennsylvania have suspended specie payments—and many of her citizens have, by engaging somewhat too extensively in business or speculation, become considerably involved in debt or embarrassment, but her banks, with possibly one or two exceptions, have ample means to meet all the demands upon them, and those of her citizens who are embarrassed, and with few exceptions, have veritable instantly into money, sufficient to pay all their debts, but the resources of the entire people of the state would almost in a single year, liquidate all the demands that can be made upon them from abroad. Unless such circumstances as these, accompanied such regulations themselves by the same general rules of wisdom, prudence and economy, which never fails to extricate individuals from similar difficulties. The substantial means of the people of Pennsylvania, to pay off all their liabilities are not in the slightest degree impaired. The people of this Commonwealth need nothing but a little time—reasonable patience under temporary evils—the application of their own persevering and hardy industry in producing and transporting to market her two great staples Coal and Iron, and the propitious blessings of Heaven upon her harvest fields, to replace them upon that solid footing of prosperity and independence which they so proudly occupied before they were hurled from it by the rash and headlong spirit of speculation. Those who with their eyes open upon these things, will persist that Pennsylvania, and her citizens have been precipitated into the bottom of the gulf of bankruptcy; must be permitted to cherish the phantoms of their own creation and wait until the common sense of the people, and the return of prosperous times have convinced them of their error. Those who believe that their own interests, or those of the political party with which they happen to be associated, will be promoted by trading the credit of the state, and representing her condition to be one of hopeless indebtedness and distress, must be allowed to pursue the course which they have seen fit to adopt, until the unerring intelligence of the people, has detected the deception, and held them up to the reproach upon their credulity. Pennsylvania like most of the sister states of the Union, and some of the commercial nations of Europe, has engaged beyond her available means; in trade, enterprises of improvement and speculation, but her recuperative energies will enable her to take the lead of all others, in extricating herself from her embarrassments which beset her. Her resources are of a nature which seldom fail in furnishing an annual supply, and never can want a market. The industry of her citizens is untiring, and they love not only their

own state; but its independence too well to repine at the payment of a few dollars tax, or the suffering of a temporary inconvenience, to see that State placed beyond the reach of fruitless demands made upon her justice, or unanswered calls upon her honor. A few may be found who would persuade them that their property and industry are to be taxed forever, and who would inculcate the unworthy sentiment, that those who are in favor of maintaining the faith and honor of the state untarnished, are the foes of the people; but they meet with no encouragement from the great mass of honest men, and are justly regarded as worthless or interested advisers. On this important subject, public feeling is sound and united and will do much to direct the efforts and inspire confidence and resolution among our citizens.

Owing to its peculiar geographical position, the city of Philadelphia is made the great distributing mart of foreign and domestic goods and manufactures for the Western and Southern states of the Union. This circumstance has rendered both the banks and her citizens debtors to a large amount to New York, and the North Eastern states and to Europe, and rendered the purchasers of these commodities in the West and South, in the same manner indebted to Philadelphia. The moment the banks of Pennsylvania, resumed specie payments on the 15th of January last, large demands upon the banks, merchants and citizens of Philadelphia, which had been held in reserve in New York and the Eastern States, both on account of the citizens of those states, and on account of the foreign creditors of Philadelphia were presented to the Philadelphia banks for payment in specie. Nearly eleven millions of dollars in specie or specie funds, were, I believe, drawn from the Philadelphia banks, during the nineteen days they continued specie payments, and immediately taken out of the state. This enormous sum so drawn out of the Philadelphia banks, and the manner in which it was disposed of strongly leads us to the belief that there must have been some combination or understanding among those by whom it was obtained, to make an almost simultaneous rush upon the Philadelphia banks, either for the purpose of compelling them again to suspend, or of restraining their general operations.

It is believed that there are large sums still due from the citizens of Philadelphia, to the citizens of other states, and to foreign creditors. Under the laws of this Commonwealth, imposing penalties and augmented demands upon the banks, these demands will undoubtedly be made, and their efforts for the relief of the citizens of this Commonwealth, be fatally restrained and crippled.

The banks of Pennsylvania having been established for the benefit of the people of Pennsylvania, the enforcement of the penalties to which they are subject, may be safely left in the hands of the people. So long as the existence of the banks is believed to be useful, and their general conduct is such as to deserve and secure the confidence of the public, they will not be disturbed, although hourly liable to the infliction of the penalties which the law prescribes. Experience on former occasions during suspensions, clearly demonstrate this. If it be the interest of the public that the banks should continue to exist, it is the interest of the banks to conduct themselves in such a manner as to satisfy the public that such is the fact. If the public forbear towards the banks to enforce the penalties, the banks should doubtless forbear towards the public, to produce distress and embarrassment. The banks can do much by the mode in which they treat their debtors, to create or to diminish pecuniary difficulties. They have not only a right but it is their duty to exact adequate security from their debtors, but should they press them unreasonably—should they bring to a sheriff's sale and consequent sacrifice, the property of those, who by a safe and reasonable course of treatment, might have paid them, they will perit that public confidence which under the law is the shield of their protection. In times of hardship and difficulty like the present, mutual justice and mutual forbearance on the part of the banks and the people, is the great guaranty for the rights and interests of both. Let the banks of Pennsylvania therefore act with discretion and justice and they have nothing to fear from the citizens of this Commonwealth. But the citizens of other States and the foreign creditors to which I have above referred, have neither the same interests nor perhaps the same inclination, in extending indulgence to the banks of this state, to promote mutual advantage. It will be within their power to harass them and thus to augment in a very great measure the difficulty and embarrassment under which the citizens of this Commonwealth suffer. It seems to me, that the part of duty, and I can see no injustice whatever, in protecting the citizens of this Commonwealth from this impending calamity. I regret that the Legislature after a session of three months, should not have devised and presented to me something that would secure this salutary object. I would most cheerfully approve of any measure that will protect the banks of this Commonwealth from being crippled in their operations, and from the forfeiture of their charters, by combinations of brokers and sharpers of other states, and of Europe, to exact the penalties which were originally designed for the safety and security of the people of this Commonwealth. Let those persons having demands against our banks be deprived of no civil remedy, which can be afforded by the law; let our courts remain open to them; let them recover judgments and enforce them by execution, with such interest as is allowed in other like cases of debt; but the penalties, which can be exacted only at the hazard of creating embarrassment and difficulty among our citizens should be reserved to be enforced by our own citizens who are so deeply interested in the consequences. Let those who are to feel the effects judge who thus will strike the blow. Such a law as this would be a measure of self-preservation, and could give no just ground of complaint to those who would be deprived of no legal right they now enjoy, and no privilege but that of annoying and disturbing their neighbors without obtaining any benefit for themselves.

In all our legislative acts, I would remember, that what encroaches upon the rights of the citizen, or of other persons, first and foremost, is to be taken care of. The

interests of Pennsylvania. This is expected from us by the people, and less than this than this would be an unpardonable shrinking from our duty.

DAVID R. PORTER.

Address by President Tyler TO THE PEOPLE OF THE U. S. STATES.

BELOW-CITIZENS: Before my arrival at the Seat of Government the painful communication was made to you by the officers presiding over the several departments, of the deeply regretted death of HENRY HANCOCK, late President of the United States; of whom you had conferred your suffrages for the first office in your gift, and had selected him as your chosen instrument to correct and reform all such errors and abuses as had manifested themselves from time to time in the practical operation of Government. While standing at the threshold of an all-wise Providence, being removed from among us, by provisions of the Constitution the efforts to be directed to the accomplishing of this vitally important task have devolved upon myself. This same occurrence has submitted the wisdom and sufficiency of our institutions to the test of the first time the person elected to the Vice Presidency of the United States, by the happy coincidence of a contingency provided for in the Constitution, has had developed upon him the Presidential office. The spirit of faction, which is directly opposite to the spirit of a lofty patriotism, may find this occasion for its usual operations upon my administration. And in succeeding, under circumstances so sudden and unexpected, and to responsibilities so greatly augmented, to the administration of public affairs, I shall place in the intelligence and patriotism of the people my only sure reliance. My earnest prayer shall be constantly addressed to some wise and all-powerful Being who made me, and by whose dispensation I am called to the high office of President of this Confederacy, understandingly to carry out the principles of that Constitution which I have sworn "to protect, preserve, and defend."

The special opportunity which is afforded to a Chief Magistrate upon his induction to office of presenting to his countrymen an exposition of the policy which would guide his administration, in the form of an inaugural address not having, under the peculiar circumstances which have brought me to the discharge of the high duties of President of the United States, been afforded to me, a brief exposition of the principles which will govern me in the general course of my administration of public affairs would seem to be due so well to myself as to you. In regard to foreign nations, the groundwork of my policy will be justice on our part by all, submitting to injustice from none. While I shall ardently cultivate the relations of peace and amity with one and all, it will be my most imperative duty to see that the honor of the country shall remain unblemished. To this, the condition of our military forces will become a matter of anxious solicitude. The Army, which has in other days covered itself with glory, and the Navy, but inappropriately termed the right arm of the public, are the Commander-in-Chief of the Army and Navy is in fact the Treasurer. A prudent and radical change should therefore be decreed. The patronage incident to the Presidential office, already great, is constantly increasing. Such increase is destined to keep pace with the growth of our population, until, without a figure of speech, an army of officials may be spread over the land. The unrestrained power exerted by a selfishly ambitious man, in order to perpetuate his authority or to hand it over to some favorite as his successor, may lead to the employment of all the means within his control to accomplish his object. The right to remove from office, while subject to a strict restraint, is inevitably destined to produce a spirit of cringing servility with the official corps which in order to uphold the hand which feeds them, would lead to direct and active interference in the details, both State and Federal, thereby subjecting the course of State Legislation to the dictation of the Chief Executive Officer, and making the will of that officer absolute and supreme. I will at a proper time, invoke the action of Congress upon this subject, and shall readily acquiesce in the adoption of all proper measures which are calculated to arrest these evils, so full of danger to our country. I will remain, as incumbent of office who has faithfully and honestly discharged himself of the duties of his office, except in such cases where such officer has been guilty of an active partnership, or by secret means—the less manly, and therefore the more objectionable—given his official influence to the purposes of party, thereby bringing the patronage of the Government in conflict with the freedom of election. Numerous removals may become necessary under this rule. These will be made by me through no acerbity of feelings.

I have had no cause to cherish or indulge unkind feelings towards any, but my conduct will be regulated by a profound respect for the rights of the country and its institutions; nor shall I ever fail to apply the same unbending rule to those of my own appointment. Freedom of opinion will be tolerated, the full enjoyment of the right of suffrage will be maintained as the birthright of every citizen, but I say emphatically to the official corps, "thus far and no further." I have dwelt longer upon this subject, because I removed from office, may likely often to arise, and I would have my countrymen to understand the principles of the Executive actions.

In all public expenditures the most rigid economy should be resorted to, and as one of its results, a public debt in time of peace be avoided. A wise and patriotic constituency will be the object to the imposition of necessary burdens for useful ends; and true wisdom dictates the resort to such means, in order to supply deficiencies in the revenue, rather than to those doubtful expedients, which, ultimately in a public debt, serve to embarrass the resources of the country and to lessen its ability to meet any great emergency which may arise. All securities should be abolished. The appropriations should be direct and explicit, so as to leave no limited a share of discretion to the disbursing agents, as may be found compatible with the public service. A strict responsibility on the part of all the agents of the Government should be maintained, and no peculation or deficiency visited with immediate expulsion from office and the most rigorous punishment.

The public interest also demands that, if any war has existed between the government and the enemy it shall cease. Measures of a financial character, now having the sanction of legal enactment, shall be faithfully enforced, as prescribed by the legislative authority. But I owe it to you to declare that I regard existing enactments as unwise and impolitic, and in a high degree oppressive. I shall promptly give my sanction to any constitutional measure which, originating in Congress, shall have for its object the restoration of a sound circulating medium, so essentially necessary to give confidence in all the transactions of a nation, to secure to industry its just and adequate rewards, and to re-establish the public property. In deciding upon the adaptation of any such measure to the end proposed, as well as its conformity to the Constitution, I shall resort to the fathers of the great Republic, in their wisdom and devotion, to be drawn from their own experience, and the light of their ever glowing example. The institutions under which we live, my con-